HUHTAMAKI PPL Limited

Business Responsibility Report for the Financial Year 2019

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L21011MH1950FLC145537
2. Name of the Company: Huhtamaki PPL Limited (HPPL)
3. Registered address: Unit No. 12A-06, B-Wing, 13th Floor, Parinee Crescenzo, Plot Nos. C-38 & C-39, G" Block, Behind MCA, BKC, Bandra (E), Mumbai – 400051, Maharashtra, India
4. Website: www.huhtamaki.com
5. E-mail id: investor.communication@huhtamaki.com
6. Financial Year reported: Financial Year ended 31st December 2019
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Huhtamaki PPL Limited is engaged in Manufacture of Flexible Packaging Material.

*Industrial Group	Description
32009	Manufacturing and sale of Flexible Packaging Material

*As per National Industrial Classification

8. List three key products/services that the Company manufactures/provides (as in Balance Sheet)

Sr. No.	Name and Description of main products/services
1.	Flexible Packaging Material and allied Products

9. Total number of locations where business activity is undertaken by the Company:

(a) Number of International Locations (Provide details of major 5):

The Company has Liaison Office in Ghana and Branch Office in London.

(b) Number of National Locations:

The Company has its Registered Office in Mumbai, Corporate Headquarter (CHQ) at Thane and its manufacturing units are located at Thane, Khopoli, Taloja, Ambernath, Mahape, Silvassa, Hyderabad, Rudrapur, Bengaluru, Parwanoo, Guwahati Baddi, Daman and Gangtok. Further, the Company has Customer Support/Sales Offices in Mumbai, New Delhi, Kolkata and Bengaluru.

10. Markets served by the Company – Local/State/National/International: In addition to the Indian markets, the Company also serves North America (US, Canada and Mexico), Central America, Africa, Middle East, European and Asia Pacific markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital:** Rs. 1510.53 Lakhs
2. **Total Turnover:** Rs. 254,767 Lakhs
3. **Total Profit after Taxes:** Rs. 17,004 Lakhs
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 0.87 %**
5. **List of activities in which expenditure in 2 above has been incurred:**
    - Promotion of education & skill development; and
    - Social Welfare and Rural Development

SECTION C: OTHER DETAILS

1. **Subsidiary Company / Companies**
   Nil

2. **Participation of Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).**
   Not Applicable

3. **Participation of any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]**
   No, since majority of its suppliers/customers are big Corporates/MNCs, who have their own BR initiatives.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**
   (a)Details of the Director/Director responsible for implementation of the BR policy/policies
   1. **DIN Number:** 02325890
   2. **Name:** Dr. Arup Basu
   3. **Designation:** Executive Director

(b) Details of the BR Head

Sr. No.	Particulars	Details
1	DIN Number	Dr. Arup Basu, Executive Director oversees the BR implementation. However, the Company does not have a BR Head as of now.
2	Name	
3	Designation	
4	Telephone Number	
5	E-mail Id	

2. Principle-wise (as per NVGs) BR Policy/policies?

(a) Details of compliance (Reply in Y/N)

SR. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	N	Y	N
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	The policy is embedded in the Company's quality and environ-ment policies which inter alia, relate to safe and sustainable products	Y	Y	The policy is embedded in the Company's Code of Business Conduct, HR policies and various other HR practices	-	-	Y	-
3.	Does the policy conform to any national / international standards? If yes, specify?	Policies are prepared ensuring adherence to all applicable laws and in line with national & international standards, wherever applicable.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	All mandatory Polices under the Indian laws and regulations have been adopted by the Board and signed by Chairman. Other operational internal policies are approved by management and signed by the Executive Director.								

5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has a well-established internal governance structure to oversee the implementation of various policies.
6.	Indicate the link for the policy to be viewed online?	Mandatory Policies viz. CSR Policy, Insider Trading Policy, Code of Conduct are available at https://www.huhtamaki.com/en-in/flexible-packaging/investors/corporate-governance-and-policies/policies/ All other policies viz. employee related policies are available on Company's internal network.
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Policies are communicated to internal stakeholders and the same available on the Company's intranet. Wherever required, the Polices are also communicated to our external stakeholders and made available on Company's website.
8.	Does the company have in-house structure to implement the policy/ policies?	Yes, the Company has an in-house structure with clearly defined roles and responsibilities which periodically reviews implementation of various policies.
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, each of the Policies formulated by the Company have an in-built grievance and redressal mechanism.
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Quality, Safety & Health and Environmental Policies are subject to internal and external audits as part of certification process and ongoing periodic assessments. Other policies are periodically evaluated for their efficacy through internal audit mechanism.

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR Performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is hyperlink for viewing this report? How frequently it is published?

The Company is publishing the BR Report annually. The report can be viewed at following link https://www.huhtamaki.com/en-in/flexible-packaging/investors/financials/annual-reports/

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others ?

   At Huhtamaki PPL Limited (HPPL), we believe that we are trustees of all our stakeholders including the society in which we exist, shareholders, employees and their families, customers, suppliers, contractors, the Government, etc. We believe that we owe it to all stakeholders to conduct our business in line with sound ethical standards. The Company has adopted a "HPPL - Code of Conduct" and HPPL - Code of Ethics" with the underlying philosophy of conducting its business in a fair & ethical manner as enshrined by our values and beliefs. This helps in creating a work environment that is conducive to all our employees/associates.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   During the year under review, the Company has not received any complaint under the investigation mechanism.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and /or opportunities.

   HPPL manufactures products as per specifications of its customers and strives to ensure that products supplied are in conformity with customer's specifications, from safe and legally permissible raw materials and strict quality standards and controls are followed. The Company is expanding and strengthening its market position, balancing commercial ambitions with environmental concern.

   HPPL is environmentally conscious and is committed to creating, maintaining and ensuring a safe & clean environment.

2. Does the company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   The Company has manufacturing locations across India and sources majority of its manpower requirement locally & strives to source materials to the extent possible from local suppliers and transporters, in order to develop and sustain local communities/partner in the Supply chain.

3. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   HPPL always strives to procure materials & avail services from local vendors/suppliers, without compromising on quality & products. Company's Supplier selection, assessment and evaluation process includes elements of sustainability. This includes initial supplier survey, continuous risk assessments and audits.

4. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   Due to the nature of our business, we utilize resources like energy, water and other secondary resources and have robust processes and systems in place to identify, quantify and reduce such impact on the environment.

Principle 3 - Businesses should promote the well-being of all employees

1. Total number of employees : 3675 as on 31st December, 2019

2. Total number of employees hired on temporary/contractual/casual basis : 1025

3. Number of permanent women employees : 260

4. Number of permanent employees with disabilities : Nil

5. An employee association that is recognized by management : Mazdoor Congress, Huhtamaki PPL Limited Employees Union, Engineering & General workers Union, Bharatiya Kamgar Karmachari Mahasangh, Vista Film Packaging Kamgar Sanghtna and Navi Mumbai General Kamgar Sanghatana.
6. Percentage of permanent employees who are members of the recognized employee association : 19.6%

7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year :

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	None	None
2.	Sexual Harassment	Two	Two
3.	Discriminatory employment	None	None

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
    a. Permanent Employees – 90%
    b. Permanent Women Employees – 100%
    c. Casual/Temporary/Contractual Employees –100%
    d. Employees with Disabilities – NA.

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the company mapped its internal and external stakeholders?

    Yes, the Company has mapped its internal and external stakeholders in a structured way and carries out engagements with investors, employees, customers, suppliers, business partners, government/regulatory authorities, etc.

    The Company also engages with its identified stakeholders on an on-going basis through a constructive process. The Company follows a system of timely feedback and response through formal and informal channels of communication to ensure that the stakeholder information remains current and updated.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

    Yes, Company has identified marginalized and disadvantaged groups through need assessment and engagement with local communities. The marginalized and disadvantaged communities we work with include tribal villages and economically backward sections of the society, who are in great need of care and protection.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   The Company goes beyond its business activities to create social impact through its diverse initiatives, and is working towards improving lives of marginalised and vulnerable communities. We have taken initiatives in specific areas of social development that would include providing infrastructure facilities for primary & secondary education/schools, skills development, vocational training, health & hygiene, etc. which are mainly focused on communities, around our manufacturing locations spread across the country. For specific details, please refer to Report on Corporate Social Responsibility.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   The Company does not have a stated Human Rights Policy. However, most of the aspects are covered in the Company's "Code of Ethics and Behaviour", "Sexual Harassment Policy" and various HR policies/practices.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   Nil

Principle 6 - Businesses should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

   The Company follows the broad Environment Protection guidelines laid down by the Huhtamaki Group and adheres to all Environment laws, as applicable for all its locations. However, the same is not applicable to suppliers/contractors, since many of them have their own internal guidelines/policies.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Yes/ No If yes, please give hyperlink for webpage etc.

   Environmental conservation is high on the Company's agenda. The Company is conscious of its responsibility towards creating, maintaining and ensuring a safe and clean environment for sustainable development and take initiatives like installation of solar power, re-cycling & conservation of water, reduction of wastages, innovations in packaging solutions, etc., to reduce the adverse effects on the environment. The Company is also working on some pilot projects for recycling wastages generated from its manufacturing operations.

3. Does the company identify and assess potential environmental risks ? Y/N

   Yes, identification and assessment of potential environmental risks are covered under “Code of Conduct” and “Code of Ethics and Behavior” of the Company. Once risks are identified, steps are taken to measure & mitigate the same.

   Employees are expected to actively contribute to HPPL’s commitment to providing a healthy and safe workplace and to respect the environment and sustainability while carrying out all business operations. The company strives to provide a healthy and safe Workplace for its employees, in accordance with applicable laws and regulations. The aim is to prevent accidents and mitigate health and safety risks with action programs. These action programmes are publicly communicated and continuous training is undertaken as per programs. Employees are required to comply with all workplace safety and environment related guidelines.

   HPPL aims to be an environmentally friendly company. The company aims at improving its performance through action programmes focusing on minimizing natural resource utilisation, optimizing process efficiency, applying the best available techniques and practices, and reducing solid waste generation, effluent discharges and emissions into the air. Above all the company actively supports, through appropriate communication and training, each individual's responsibility in environmental performance. HPPL will always comply with all government and statutory requirements on environmental protection.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   No

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.

   As per the Company’s Code of Ethics and Behaviour, employees are expected to actively contribute to HPPL’s commitment to providing a healthy and safe workplace and to respect the environment and sustainability, while carrying out all business operations.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes, emission & waste generated by company are within the permissible limits as laid down by Pollution Control Boards of respective states, where the company operates.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

One

<u>Principle 7</u> - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with :

   a) Indian Flexible Packaging & Folding Carton Manufacturers Association (IFCA)
   b) Bombay Chamber of Commerce and Industry (BCCI)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   HPPL works very closely with Industry Associations to advocate and pursue various causes that are in larger interests of industry, economy, society and the public.

<u>Principle 8</u> - Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   At HPPL, we believe in giving back to the society in some measure what we have gained from it. Through our various initiatives, we are committed to address issues relating to basic education, child welfare, women empowerment, community welfare, health and hygiene and skill education on sustainable basis for the society, as a whole.

   HPPL has taken a holistic approach towards the development of the deprived groups of the society. The Company works in the areas of education, vocational skills, training and empowerment of women, development of women, development of children and preservation and sustenance of environment.

   HPPL have formulated policies and codes like “Code of Conduct”, “Code of Ethics and Behavior” and “Corporate Social Responsibility Policy” etc. which aims at inclusive growth and equitable development.

During the financial year 2019, the Company spent on following projects under Corporate Social Responsibility:

Sr. No	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs 1) Local Area or other 2) Specify the states or district where project or Programme were undertaken	Amount spent on the projects or programs (Rs in Lacs)
1.	Providing School Infrastructure including amenities for drinking water, playground equipment's and other equipment's	Promotion of education & skill development	• Rudrapur (Uttarakhand) • Taloja (Maharashtra) • Silvassa (U T of Dadra & Nagar Haveli, Silvassa) • Bengaluru (Karnataka)	41.27
2.	Improvement of Rural Infrastructure by construction of toilets, providing drinking water facilities in villages	Rural Development	• Rudrapur (Uttarakhand) • Hyderabad (Telangana) • Khopoli (Maharashtra) • Gangtok (Sikkim) • Parwanoo (Himachal Pradesh)	76.45
3.	Contribution to Education Trust by Construction of Hostels, College Equipment's and Buildings	Promotion of education & skill development	• Aurangabad (Maharashtra) • Khopoli (Maharashtra)	29.47
	Total Spending			147.19

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   At HPPL, majority of CSR programmes are led by respective Plant/Location Heads, located across the country through their in-house team. Also, we contribute amounts to Education Trusts for promotion of Education.

   .

3. Have you done any impact assessment of your initiative?

   Yes, various projects undertaken under the Company's Corporate Social Responsibility initiatives are subject to the impact assessment to ensure that expected results of projects/ initiatives are achieved.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

   During the year, the Company has spent Rs. 147.19 lakhs towards various CSR activities. The project wise details are provided in Annexure 7 – Annual Report on CSR activities.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   We have been actively taking initiatives for Community Development. Women, children and backward section of the society are our target groups and we target to ensure their well being and development through education and health programmes.

<u>Principle 9 -</u> Businesses should engage with and provide value to their customers and consumers in a responsible manner:

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   No customer/ consumer complaints are pending as on the end of the financial year. At HPPL integrity is a given and not negotiable. It is essential to be honest with customers, treat them with respect and dignity and promise only what can be delivered. Satisfied customers are the key to HPPL's success. HPPL aims to earn customers' continued loyalty every day by treating them fairly, delivering the products and services they want and exceeding their expectations.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

   The Company adheres to all the applicable regulations regarding product labeling and displays relevant information as prescribed under the law & as per customer's

specifications/instructions. The Company manufactures/supplies packaging materials as per customers specifications and the requirements relating to labelling are not applicable to the Company.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No, there are no cases filed by any stakeholder during last five years regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Growth and new product development is driven by the Company's Innovation Program (NASP) which helps our customers in two areas; Firstly, New Products, including incremental ideas, which are based on upgraded technology processes, connect with our customers need for adding value to their products and offering benefits to their consumers. Secondly, our NASP Team continuously work on solutions which offer cost advantages without compromising on performance, based on customers feedback.